

MINT OF THE UNITED STATES, AND BRANCHES.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

The information required by a resolution of the House of Representatives of the 5th instant, in relation to the Principal Mint of the United States and its Branches, &c.

MARCH 23, 1838.

Read, and laid upon the table.

TREASURY DEPARTMENT, *March 23, 1838.*

SIR : In answer to the resolution of the House of Representatives of the 5th instant, requiring the Secretary of the Treasury to report to the House "the cost of erecting and establishing the principal Mint and its branches, including buildings, fixtures, and apparatus, the salaries and expenses of the different officers, the amount expended in the purchase of bullion, the loss arising from wastage, and all other expenses, and the average length of time it requires to coin at the principal Mint all the bullion with which it can be furnished ; and further, what amount of coin has been struck at the several branch mints since their organization," I have the honor to transmit herewith a communication received from the Director of the Mint at Philadelphia, which, it is believed, contains all the information called for by the resolution which it is in the power of the Department to furnish.

I have the honor to remain, very respectfully, your obedient servant,
LEVI WOODBURY,
Secretary of the Treasury.

The Hon. SPEAKER
of the House of Representatives.

MINT OF THE UNITED STATES,
Philadelphia, March 20, 1838.

SIR : I had the honor to receive, on the 8th instant, your letter asking my attention to a resolution of the House of Representatives of the United States passed March 5, 1838, as follows :

" Resolved, That the Secretary of the Treasury report to this House the

cost of erecting and establishing the principal Mint and its branches, including buildings, fixtures, and apparatus; the salaries and expenses of the different officers; the amount expended in the purchase of bullion; the loss arising from wastage, and all other expenses; and the average length of time it requires to coin at the principal Mint all the bullion with which it can be furnished; and further, what amount of coin has been struck at the several branch mints since their organization."

To enable you to give the information called for in this resolution, the following statements are now respectfully submitted:

I. *Mint of the United States, Philadelphia.*

1. "Cost of buildings, fixtures, and apparatus."

The cost of the edifice, machinery, and fixtures, was	-	\$173,390
Ground, enclosure, paving, &c.	-	35,840
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		\$209,230

This amount does not include expenditures made under special appropriations for the years 1836 and 1837, for milling and coining by steam power; and for extensive improvements in the assaying, melting, and parting rooms, and machine-shops, amounting to \$28,270.

It may be proper to mention that the Mint building is on the best street in the city, is of large dimensions, with the whole exterior of marble, and two Ionic porticoes; and that the machinery and apparatus are of the best construction. The cost must therefore be considered as very moderate. The new mint lately erected by the British India Government at Calcutta, cost 24 lacs of rupees, or about \$1,138,000.

2. "Salaries and expenses of the different officers."

The Director receives per annum,	-	\$3,500
The treasurer,	-	2,000
The chief coiner,	-	2,000
The assayer,	-	2,000
The melter and refiner,	-	2,000
The engraver,	-	2,000
The second engraver,	-	1,500
The assistant assayer,	-	1,300
The treasurer's clerk,	-	1,200
The book-keeper,	-	1,000
The clerk of the weighing-room,	-	1,200
The Director's clerk,	-	700
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		\$20,400

No expenses are allowed, beyond the above sums, to any officer, assistant, or clerk, for the performance of his duties.

3. "Amount expended in the purchase of bullion."

As all the gold and silver brought to the Mint is purchased at the nett Mint price, there is no expense, properly so called, incurred on this account.

A transfer was made to the Mint by Treasury drafts, of one million of dollars, for the purchase of bullion, of which \$600,000 was on the Bank of America in New York, and \$400,000 on the Girard Bank in Philadelphia. With these amounts, the banks were instructed to procure bullion for the Mint, and to deliver it there at the proper Mint value. It gives me pleasure to state that, notwithstanding the difficulties presented by the suspension of specie payments in May last, both these banks have performed their engagements faithfully; the whole amounts of their respective deposits having been paid to the Mint in gold and silver.

The system of purchasing bullion at the Mint commenced on the 4th of April last. From that time to the close of the past month, the amount purchased was,

In gold,	-	-	-	-	-	-	\$647,900
In silver,	-	-	-	-	-	-	1,405,650
							<u>\$2,053,550</u>

4. "The loss from wastage, and all other expenses."

Under this head, I presume it is intended to embrace the whole cost of maintaining the Mint establishment at Philadelphia, exclusive of the expenditures already included under the first head for the edifice and machinery. To make the report on this subject as explicit and comprehensive as possible, I have caused the following table to be prepared, exhibiting for the past ten years, 1. The allowance for wastage in all the operations within each year. 2. The amount of silver used in alloy of gold coin. 3. The sum of ordinary expenses, including salaries of officers, wages of workmen, and materials of every kind. 4. The sum of these sources of expense to the Government. 5. The gain by deductions from deposits. 6. The gain on copper coinage. 7. The sum of these sources of gain to the Government. 8. The difference, being the actual cost of maintaining the establishment. 9. The whole amount of coinage, in pieces, for each year. 10. The whole amount of coinage, in value, for each year. 11. The average cost of coining one hundred dollars, of promiscuous denominations of coin. 12. The average cost of coining one hundred pieces, of promiscuous denominations.

Table showing the wastage and other expenses of the Mint Establishment at Philadelphia, from the year 1828 to 1837, both inclusive.

Year.	Wastage.	Value of silver used for alloy of gold.	Ordinary expenses.	Sum of expenses.	Gain by deductions from deposits.	Gain on copper coinage.	Sum of gains.	Net expense to the Government.	Amount of coinage in pieces.	Amount of coinage in value.	Average cost of coining 100 dollars.	Average cost of coining 100 pieces.
1828	\$3,664	—	\$25,679	\$29,343	\$3,660	\$4,470	\$8,130	\$21,213	6,196,853	\$1,741,381	\$1 22	34
1829	6,169	—	30,363	36,532	6,725	3,587	10,312	26,220	7,674,501	2,306,875	1 14	34
1830	7,491	—	31,217	38,708	9,204	5,228	14,432	24,276	8,357,191	3,155,620	1 77	29
1831	11,723	—	40,056	51,779	9,712	7,963	17,675	34,104	11,792,284	3,923,474	1 87	29
1832	9,873	—	43,545	53,418	6,120	11,700	17,820	35,598	9,128,587	3,401,055	1 05	39
1833	10,953	—	42,117	53,070	3,906	3,203	7,109	45,961	10,307,790	3,765,710	1 22	45
1834	22,557	\$912	55,497	78,966	6,432	9,912	16,344	62,622	11,637,643	7,388,423	1 85	54
1835	18,397	645	58,463	77,505	8,180	6,337	14,517	62,988	15,996,342	5,668,667	1 11	39
1836	21,748	2,679	58,056	82,483	5,415	5,583	10,998	71,485	13,719,333	7,764,900	1 92	52
1837	8,086	441	65,294	73,821	6,664	12,073	18,737	55,084	13,010,721	3,299,898	1 67	42
	120,661	4,677	450,287	575,625	66,018	70,056	136,074	439,551	107,821,245	42,416,003	1 04	41
1838	8,763	—	47,685	80,448	5,765	14,061	10,226	60,622	15,336,518	3,970,217	1 52	39
1839	3,533	—	69,802	73,335	3,952	6,770	10,626	62,637	9,260,325	3,021,170	2 37	64
1840	2,266	—	64,623	66,889	5,479	5,127	10,306	56,283	7,053,082	2,260,667	2 48	79
1841	1,235	—	62,815	64,056	4,136	3,326	7,462	56,582	5,051,831	1,304,199	4 34	1 12
1842	15,777	—	262,925	280,722	19,302	29,284	48,572	236,130	36,701,518	10,336,253	2 23	64

This table presents some apparent anomalies which require explanation. Thus, the cost of coinage, per cent., in 1836, is much less than in 1837; but it will be observed that the whole value coined in the former year was more than double that in the latter, while the number of pieces struck, to which the labor is nearly proportional, was almost the same; so that, in fact, the cost of striking 100 pieces was less in the latter year. Besides, as the expense of superintendence is the same, and even that of wages can vary but little while the Mint is kept on the same scale, the cost of coinage, per cent., will always be less the greater the amount that is coined. In the interval included in the above table, the Mint was removed from its former location, where it was on a very limited scale, to the present; and in the same interval wages have risen considerably, so that the table does not exhibit what would now be the cost per cent. of coining different annual amounts. To show this, an estimate has been carefully made, of which the results are exhibited in the following table.

In constructing this table, the extremes of two millions and twelve millions of dollars are taken, because it is not probable that the coinage will fall below the former sum, and the capacity of the Mint is sufficient for the latter. It is assumed that the present force of the Mint must be maintained for any amount of coinage up to six millions of dollars; after which, an addition is made for extra labor equal to 900 dollars per million. It is also supposed that the coinage shall be half in gold and half in silver; and that there shall be an average of two and a half pieces to every dollar in value, which would make an abundant proportion of small coins. The contingent expenses are estimated to increase in proportion to the coinage, except in the material item of fuel for the steam-engine and annealing furnaces, and in some other inferior charges of a permanent kind. The loss by wastage, the cost of silver alloy, and the gain on deductions, are also proportioned to the amount of bullion wrought. One other element in the estimate, is the gain on copper coinage. In 1837 it amounted to \$12,000; but, as the demand for cents was unusual, it is here rated at \$10,000, as an ordinary annual gain. This would correspond with a coinage of \$42,000, or 4,200,000 pieces, which is not taken into account in giving the sum of the coinage as mentioned above. The estimate can, of course, only be considered as affording a fair approximation to the true cost, and is made without reference to unusual contingencies.

Table showing the estimated cost of coining different annual amounts, at the Mint at Philadelphia.

Annual coinage in dollars.	Net expense to the Government.	Nett cost of coining \$100.
2,000,000	\$48,059	\$2 40
3,000,000	53,315	1 78
4,000,000	58,568	1 46
5,000,000	63,824	1 28
6,000,000	69,078	1 15
7,000,000	75,234	1 07
8,000,000	81,388	1 02
9,000,000	87,543	97
10,000,000	93,697	94
11,000,000	99,852	91
12,000,000	106,007	88

I have no means of comparing the cost of coinage at the Philadelphia mint, with the cost at the mints of other countries, except the charges for coinage which are made at those mints to depositors of bullion. At the mints of France, the depositor is subjected to a *réténue* or *toll* of one and a half per cent. on silver, and two-thirds per cent. on gold, being an average of one and eight-hundredths per cent., supposing, as has been done in the above table, equal values coined of the two metals. At the British mint, no charge is now made for the coinage of gold, but the expenses of fabrication are borne by a seigniorage on the silver coins, which is estimated as equal to six per cent., but which, according to our legal ratio of value of gold and silver, would amount to nearly twelve per cent. At the British India mints, a deduction is made from the deposits, as a charge for coinage, of two per cent., both for gold and silver; and if the coins are required in halves or quarters, one per cent. additional duty is levied. If these charges correspond, as we must presume they do, to the cost of fabrication, it will be seen that the coinage at the Philadelphia mint, when fully employed, is comparatively very economical.

5. "Average length of time it requires to coin, at the principal Mint, all the bullion with which it can be furnished."

This inquiry involves more of explanation than of statistics. The greatest amount ever furnished to the Mint for coinage in one year, was \$7,764,900, and a considerable portion of this was gold, introduced for the payment of the French indemnity. The present arrangements and force of the Mint are doubtless equal to a coinage of twelve millions of dollars annually, half in gold and half in silver, of promiscuous denominations, and with a due proportion of copper coinage. To do this amount of work, however, it is necessary that the Mint should be constantly employed, which can never be the case unless it have a stock of bullion on hand, independent of that brought from time to time, irregularly, by depositors. Hence arose the necessity of the Government deposit at the Mint, authorized by the act of January 18, 1837. With this, the Mint has been

enabled to be always beforehand with its supply of coins, and to pay all depositors as soon as the assayer has had time to ascertain the value of their bullion—this bullion, in fact, being purchased by the Mint. The largest parcel brought to us since we commenced this system, amounting to \$100,400, was cashed on the third day after its deposit. The capacity of the Mint to cash deposits promptly, may be further understood from the fact that, at the commencement of the present year, we had \$340,200 in gold coins, and \$529,600 in silver coins, on hand, for that purpose.

II. *Branch Mint at New Orleans.*

1. "Cost of buildings and ground, machinery and fixtures."

We are not fully informed here, in regard to this item of inquiry. The ground, which is a valuable square on the river, was presented to Government by the city of New Orleans. The contract price for putting up the edifice, exclusive of one wing, of out buildings, and of enclosing the lot, was \$182,000. The amount of expenses incurred here, for machinery, fixtures, tools, and materials, to enable that branch to commence operations, is \$63,950; the two sums making \$245,950. The remaining wing is nearly completed, and the enclosing is in progress, but their cost has not been communicated to me. The various appropriations made prior to the present session of Congress to meet the expenses under this head of inquiry, amount to \$312,000.

The building and machinery for the New Orleans mint are upon a scale equal to that of the principal Mint, at Philadelphia.

2. "Salaries and expenses of officers."

The superintendent receives, per annum	-	-	-	\$2,500
The treasurer	-	-	-	2,000
The coiner	-	-	-	2,000
The assayer	-	-	-	2,000
The melter and refiner	-	-	-	2,000
Two clerks, at \$1,200 each	-	-	-	2,400
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				\$12,900

No allowance is made beyond the salaries specified.

This branch received its first deposits on the 7th instant, and began operations in the assaying and melting departments on the 8th. No coins had been struck at the date of my last communication from the superintendent.

III. *Branch Mint at Charlotte, North Carolina.*

1. "Cost of buildings and ground, machinery and fixtures."

The contract price for the mint edifice was \$29,800. The expenses incurred here, in fitting out the establishment, amount to \$22,150. Of the other expenditures under this head, I have not exact information; but it may be sufficient to state that the appropriations under it, made prior to the present session of Congress, amount to \$56,000.

2. "Salaries and expenses of officers."

The superintendent receives, per annum	-	-	-	\$2,000
The assayer	-	-	-	1,500

The coiner	-	-	-	-	-	1,500
One clerk	-	-	-	-	-	1,000
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						\$6,000
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No allowance is made beyond the salaries specified.

3. "The amount expended in the purchase of bullion."

The deposite of bullion at this branch commenced on the 4th of December last; from which date until the 28th of February there was received 2,721 ounces, equal to about \$44,000. Part of this was purchased on account of the Government, out of a fund of \$30,000, provided for the purpose at the Philadelphia Mint, where the payments were made. It is contemplated to continue this operation until the Charlotte mint shall have a supply of coins on hand equal to \$30,000, to enable them to make, thenceforward, prompt payments, on the spot, to their depositors.

In consequence of unforeseen difficulties, this mint had not commenced coining at the date of my last advices.

IV. *Branch Mint at Dahlonega, Georgia.*

1. "Cost of buildings and ground, machinery and fixtures."

The contract price for the mint edifice was \$33,450. The expenses incurred here, in fitting out the establishment, amount to \$21,450. The various appropriations, under these heads, made prior to the present session of Congress, amount to \$59,000; but we have no precise information here as to the further details of expenditure.

2. "Salaries and expenses of officers."

The superintendent receives, per annum	-	-	-	-	-	\$2,000
The assayer	-	-	-	-	-	1,500
The coiner	-	-	-	-	-	1,500
One clerk	-	-	-	-	-	1,000
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						\$6,000
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No allowance is made beyond the salaries specified.

3. "Amount expended in the purchase of bullion."

The first deposits were made at this branch on the 12th of February, but I am not informed as to the amount that has been received. It is intended to make with this mint the same arrangement for the purchase of bullion as that made with the mint at Charlotte.

The coinage has not yet commenced at this mint. My information from the several branches shows, however, that they are all on the point of entering into full operation.

Very respectfully, your faithful servant,

R. M. PATTERSON,

Director of the Mint.

To Hon. LEVI WOODBURY,

Secretary of the Treasury.